



Josh Knight <josh@farmdirection.com>

GOOD MORNING: Van Trump Report 7-9-19

1 message

The Van Trump Report <reply@vantrumpreport-email.com>

Tue, Jul 9, 2019 at 5:31 AM

Reply-To: Jordan <reply-fec8177176610674-1142_HTML-68584704-100003450-8@vantrumpreport-email.com>

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To view this email as a web page, go [here](#).

"You must not only aim right, but draw the bow with all your might." - **Henry David Thoreau**

Tuesday, July 09, 2019[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stocks stick with a slightly weaker tone. Bears seem to be taking a bit more control of the conversation amid concerns that a stronger labor market report might have just altered what had become a more dovish demeanor by the Fed. We could soon learn a lot more as Fed Chair Powell is scheduled to deliver his monetary policy testimony to the House Financial Services Committee on tomorrow and to the Senate Banking Committee on Thursday. Traders will be on the looking to see if he lays out a strong case for near-term monetary easing. I

should mention, Powell may be under a bit of scrutiny to reassert the independence of the Fed, meaning he's not going to do what the President tells him to, which I suspect could lead to a few tweets during Powell's testimony. Bottom-line, whether we see the quarter point cut that most all insiders have been forecasting, and possibly another in September, is now being more heavily debated. Don't forget the trade will also be digesting the release of the latest Fed "minutes" tomorrow as well. Just a lot of Fed talk in the air so pay close attention. There's also starting to be a lot more talk and debate about the upcoming Q2 earnings season, which I'm told S&P companies could see a decline of around -2.6%. If that number holds true, it will mark the first time the index has reported two straight quarters of year-over-year declines since early-2016, and could give more credence to the bears who believe we could soon be in the midst of an earnings recession. It's worth noting, of the 113 S&P 500 companies that have issued forward guidance, 87 have been negative, which is well above the 5-year average. Also, should it stay there, it will mark the second highest number for a quarter since FactSet began tracking in 2006. Turning to more traditional economic news, traders will be digesting the Job Opening and Labor Turnover Survey (JOLTS) tomorrow which is expected to show 7.4 million openings, which is well ahead of hires as well as those looking for a job. Inflationary data such as Consumer Price Index and the Producer Price Index will be released later in the week. Keep in mind, second-quarter corporate earnings will start to trickle out this week with Pepsi and Levi's highlighted today and Delta Airlines on Thursday. Next week the earnings reports will start to gain more attention with big banks reporting like Citigroup, JP Morgan Chase, Goldman Sachs, Bank of America, Morgan Stanley, and Wells Fargo. Next week will also bring earnings from big name companies like Netflix, Microsoft, Johnson & Johnson, eBay, BlackRock, Union Pacific and Phillip Morris to name a few. I'm hesitant to add any additional length at this time. In fact, I'm looking to reduce a bit more risk exposure on the next leg higher.

JPMorgan Picks Weaker Growth Over Monetary Policy: *Morgan Stanley just downgraded its allocation to global equities to Underweight from Equal-weight, citing concerns that the positives of easier policy will be offset by the*

negatives of weaker growth. According to Morgan Stanley chief cross-asset strategist Andrew Sheets, they think a repeated lesson for stocks over the last 30 years has been that when easier policy collides with weaker growth. Remember, the latter usually matters more for returns. From what I understand, projections by JPM over the next 12 months reflect just a 1% average upside for the S&P 500, MSCI Europe, and Topix Japan. Read more [HERE](#).

Deutsche Bank Cuts Out Equities Trading: *Deutsche Bank Officials are calling it one of the most fundamental transformations of their company in decades. From what I understand, the move is aimed at curtailing an investment banking division that has been in decline for five years and restoring faith in the bank after an 80% collapse in its share price over the past 10 years. I'm told the reduction in risk-weighted assets represents around 26% of the bank's total and 40% of that within its sales and trading operation. I should mention, though financial analysts at other banks have cautiously welcomed Deutsche's restructuring plan, some are saying its a bit more radical than expected. Meaning, they believe the shares are a speculative risk until the cost-cutting plan that will affect 18,000 employees and cost \$9.2 billion is implemented. Read more [HERE](#).*

Looks Like Nice Guys Can Finish First: *At the end of the day, people invest a lot in finding someone who's compatible through dating sites or hanging out at your favorite spot, but new research from the University of Michigan says you may be looking for the wrong thing. According to lead study author Bill Chopik, finding a nice and pleasant partner is more important towards the end goal of happiness. Chopik and his team claim to have conducted the most comprehensive study ever on relationship happiness, utilizing a long-term survey of more than 2,500 heterosexual couples who have been married around 20 years. Using this data, the study's authors measured the impact of personality traits on well-being in these relationships. Read more [HERE](#)!*

Don't Forget About the MLB All-Star Game Tonight: *The 2019 All-Star*

Game starts at 6:30 p.m. CST tonight from Progressive Field in Cleveland on FOX and can be streamed on fuboTV. The American League announced they will have Houston Astros' right-hander Justin Verlander starting on the mound and the National League will go with Los Angeles Dodgers' ace Hyun-Jin Ryu. Keep in mind, the National League is currently sporting a six-game losing streak as their last win came in 2012 at Kauffman Stadium. In addition, the AL has won 18 of the last 22 meetings. The latest 2019 MLB All-Star Game odds show the AL favored at -120 (risk \$120 to win \$100), while the NL is even money. I should also note, Alex Cora and Dave Roberts have announced their line-ups. Check them out below! Click [HERE](#) for more.

National League

Christian Yelich, *LF, Brewers*

Javier Baez, *SS, Cubs*

Freddie Freeman, *1B, Braves*

Cody Bellinger, *RF, Dodgers*

Nolan Arenado, *3B, Rockies*

Josh Bell, *DH, Pirates*

Willson Contreras, *C, Cubs*

Ketel Marte, *2B, Diamondbacks*

Ronald Acuna Jr., *CF, Braves*

American League

George Springer, *RF, Astros*

DJ LeMahieu, *2B, Yankees*

Mike Trout, *CF, Angels*

Carlos Santana, *1B, Indians*

J.D. Martinez, *DH, Red Sox*

Alex Bregman, *3B, Astros*

Gary Sanchez, *C, Yankees*

Michael Brantley, *LF, Astros*

Jorge Polanco, *SS, Twins*



FARM TANK

Tweets of the Day





Steve Burns
@SJosephBurns

Following



The best performing stocks in the S&P 500 this year. By [@charliebilello](#)

Best Performing Stocks in the S&P 500 (2019)				
Rank	Symbol	Name	Sector	YTD Total Return
1	XRX	Xerox Corp	Technology	87.2%
2	COTY	Coty Inc	Consumer Defensive	79.8%
3	CMG	Chipotle Mexican Grill Inc	Consumer Cyclical	71.3%
4	CDNS	Cadence Design Systems Inc	Technology	71.1%
5	AMD	Advanced Micro Devices Inc	Technology	70.6%
6	MSCI	MSCI Inc	Financial Services	65.3%
7	APC	Anadarko Petroleum Corp	Energy	63.9%
8	MKTX	MarketAxess Holdings Inc	Financial Services	62.5%
9	TSS	Total System Services Inc	Technology	61.7%
10	SNPS	Synopsys Inc	Technology	60.7%
11	DISH	DISH Network Corp	Communication Services	60.1%
12	GPN	Global Payments Inc	Industrials	57.6%
13	FLT	Fleetcor Technologies Inc	Industrials	57.1%
14	HES	Hess Corp	Energy	56.9%
15	BLL	Ball Corp	Consumer Cyclical	56.8%
16	TSN	Tyson Foods Inc	Consumer Defensive	56.4%
17	CPRT	Copart Inc	Consumer Cyclical	56.1%
18	XRAY	Dentsply Sirona Inc	Healthcare	55.8%
19	ARNC	Arconic Inc	Industrials	55.5%
20	SYF	Synchrony Financial	Financial Services	53.8%

@CharlieBilello Data Source: YCharts



Steve Burns
@SJosephBurns

Following

The worst performing stocks in the S&P 500 this year. By [@charliebilello](#)

Worst Performing Stocks in the S&P 500 (2019)				
Rank	Symbol	Name	Sector	YTD Total Return
505	DD	DuPont de Nemours Inc	Basic Materials	-30.3%
504	JWN	Nordstrom Inc	Consumer Cyclical	-30.0%
503	MYL	Mylan NV	Healthcare	-28.9%
502	GPS	Gap Inc	Consumer Cyclical	-27.6%
501	KHC	The Kraft Heinz Co	Consumer Defensive	-26.0%
500	KSS	Kohl's Corp	Consumer Cyclical	-25.5%
499	M	Macy's Inc	Consumer Cyclical	-24.7%
498	BIIB	Biogen Inc	Healthcare	-22.2%
497	MAC	Macerich Co	Real Estate	-20.3%
496	KR	The Kroger Co	Consumer Defensive	-20.1%
495	FL	Foot Locker Inc	Consumer Cyclical	-20.0%
494	ABMD	Abiomed Inc	Healthcare	-19.6%
493	CTL	CenturyLink Inc	Communication Services	-18.8%
492	ABBV	AbbVie Inc	Healthcare	-18.8%
491	WBA	Walgreens Boots Alliance Inc	Consumer Defensive	-18.1%
490	REGN	Regeneron Pharmaceuticals	Healthcare	-17.8%
489	OXY	Occidental Petroleum Corp	Energy	-17.4%
488	NWL	Newell Brands Inc	Consumer Defensive	-15.0%
487	MOS	The Mosaic Co	Basic Materials	-14.8%
486	NOV	National Oilwell Varco Inc	Energy	-14.3%

@CharlieBilello Data Source: YCharts

**Jennalee Farms**

@AllosseryJenny

Following



I can't remember the last time corn growing a foot a day #Dekalb 🇨🇦 Wednesday to Saturday #plant19



**Brechbill Farms**

@BrechbillFarms

Following



For all intents and purposes, planting and replanting are complete. We have some medium corn, plenty of little corn, tons of tiny soybeans, and too many recently planted soybeans that have not graced us with their presence yet.

5/16/19 - 7/4/19

RIP #plant19

#couldbeworse





Arie Koster

@ferarie22

Following



It's a wonderful time of the year #farmlife
#farm19 #plant19 #MBAg





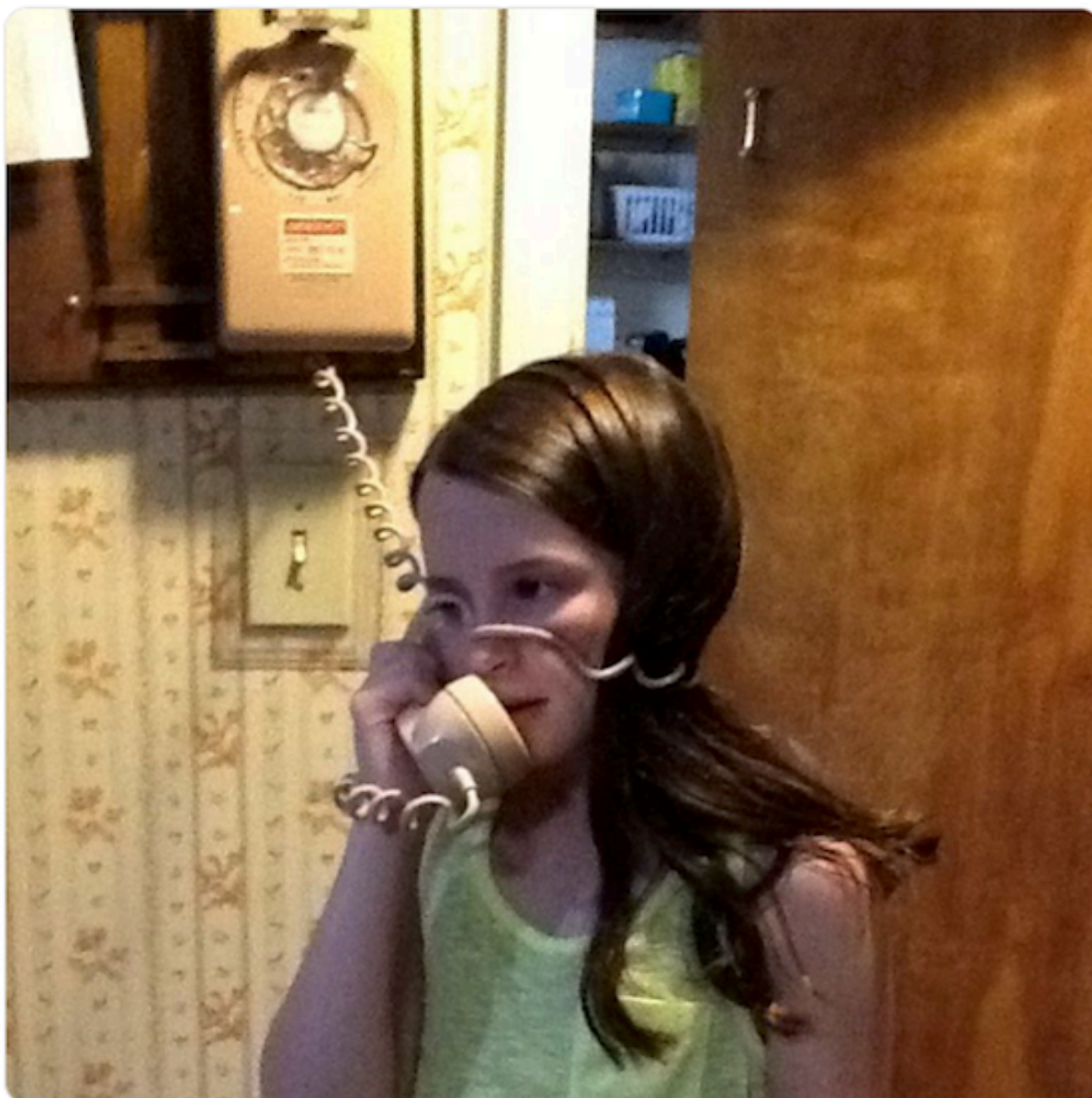
Super 70s Sports
@Super70sSports

Following



If you're too young to remember, let me drop two pieces of knowledge:

1. All phones used to have cords.
2. Those cords **WOULD** assault you.



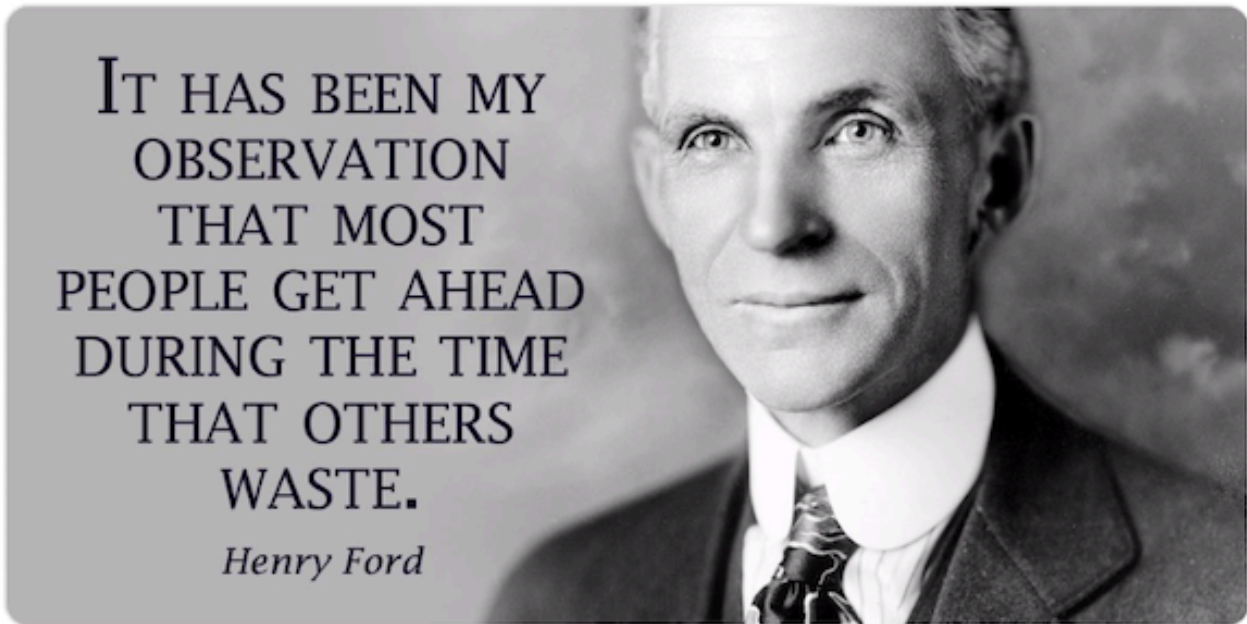


Tim Fargo ✓
@tim_fargo

Following



It has been my observation that most people get ahead during the time that others waste.- Henry Ford #quote



Corn traders continue to debate U.S. production. The USDA slightly raised weekly crop condition estimates from 56% to 57% now rated "Good-to-Excellent" vs. 75% last year. Most notable moves were Illinois being lowered another -5% now with just 37% of the crop rated GD/EX vs. 81% of the crop last year. Iowa was lowered -3% to 61% rated GD/EX vs. 78% last year. Missouri's conditions also fell lower and stand at just 28% rated GD/EX. Indian fell to 38% rated GD/EX. States showing the best conditions were North Dakota and Tennessee 79% rated GD/EX; Nebraska 76% rated GD/EX; Pennsylvania and Kentucky 75%. Interestingly, most all of these states are still running well behind last years condition ratings. The only states the USDA show in better condition than last year include Colorado, Kansas, Pennsylvania and Texas. The trade is keeping a close eye on weather forecasts as we start to approach a more critical stage in crop development. From what I keep hearing inside the trade is that the last week in July and first week in

August will probably see the most "pollination" take place. From there the biggest weeks of pollination are probably the two weeks either side of that period, meaning the next to last week of July, which is just around the corner, or the second week in August. In other words, the 15-30 day forecasts are landing us right in that window. If the forecast gets more cooperative prices could be pressured as bears will talk more openly about a +13 billion bushel crop. If weather continues to complicate, bulls will gain the upper hand as more talk of a sub-12 billion bushel crop circulates. Regardless of weather, I still think there's going to be a sizable reduction in total harvested acres and a smaller crop than the market is currently anticipating. The funds seem to be long about 125,000 corn contracts. I personally remain bullish with a more longer-term focus!

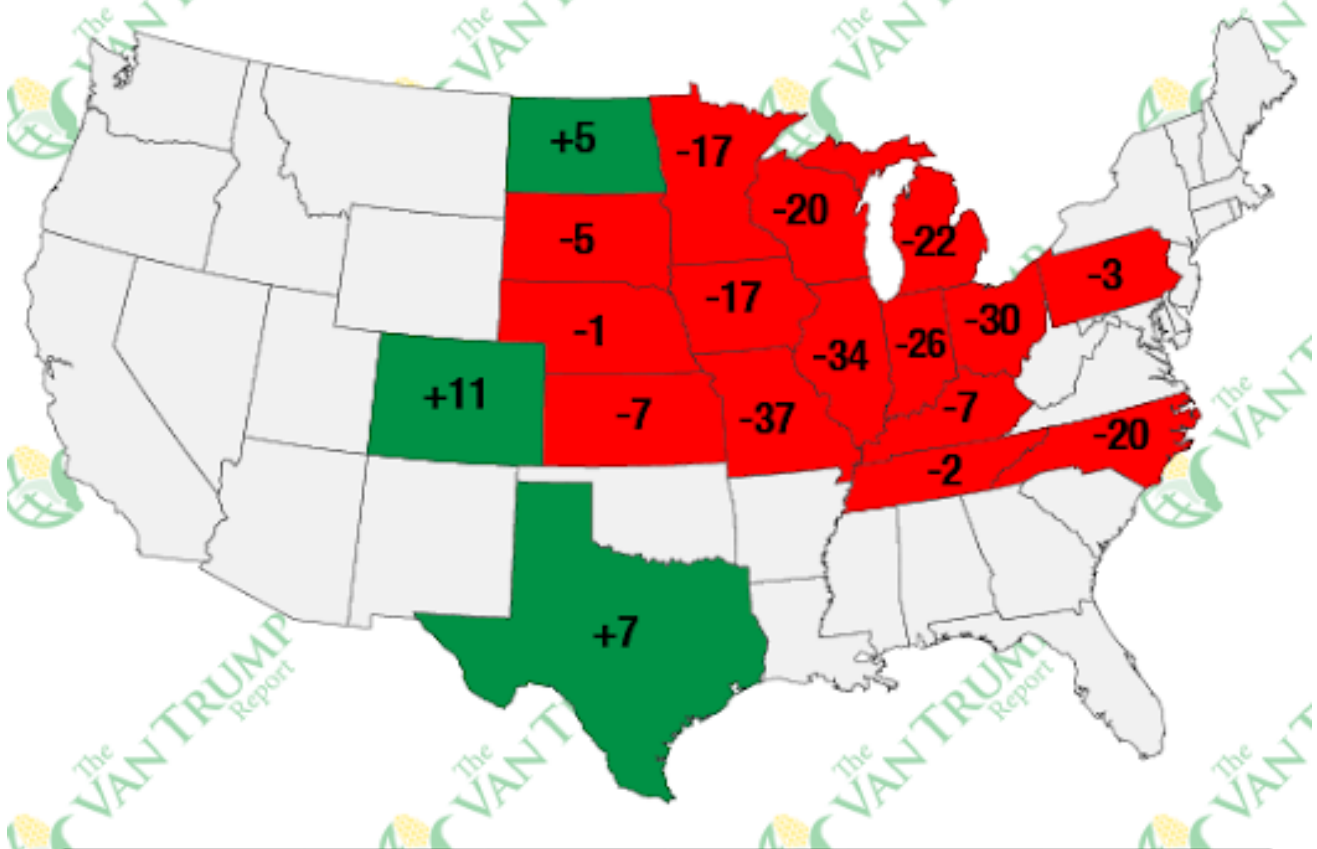


Click [HERE](#) to watch the Aerial Crop Tour done on June 30th in Kansas, Nebraska, Iowa, Illinois, Indiana, and Ohio. Again, huge thank you to Travis Weaver over at Farm and Ranch Realty for doing this and letting me share the information. I think the footage easily explains why I want to stay long this market and believe prices will eventually work even higher!



[week 27] July 7, 2019

Current Good-to-Excellent vs. 5 year average for week 27



Corn % Good-to-Excellent					
State	2017	2018	5-yr avg	This Week	Change vs LW
Colorado	67	70	74	85	7
Illinois	63	81	71	37	-5
Indiana	48	76	64	38	-1
Iowa	77	78	78	61	-3
Kansas	61	52	60	53	1
Kentucky	87	85	82	75	-1
Michigan	67	66	68	46	6
Minnesota	80	79	77	60	2
Missouri	68	48	65	28	-1
Nebraska	68	86	77	76	2
North Carolina	82	40	59	39	-10
North Dakota	52	86	74	79	0
Ohio	53	82	64	34	3
Pennsylvania	81	71	78	75	1
South Dakota	37	74	67	62	4
Tennessee	91	84	81	79	x

Texas	67	38	60	67	-2
Wisconsin	69	83	79	59	4
Total	65	75	71	57	1

Corn Silking vs 5-year Average

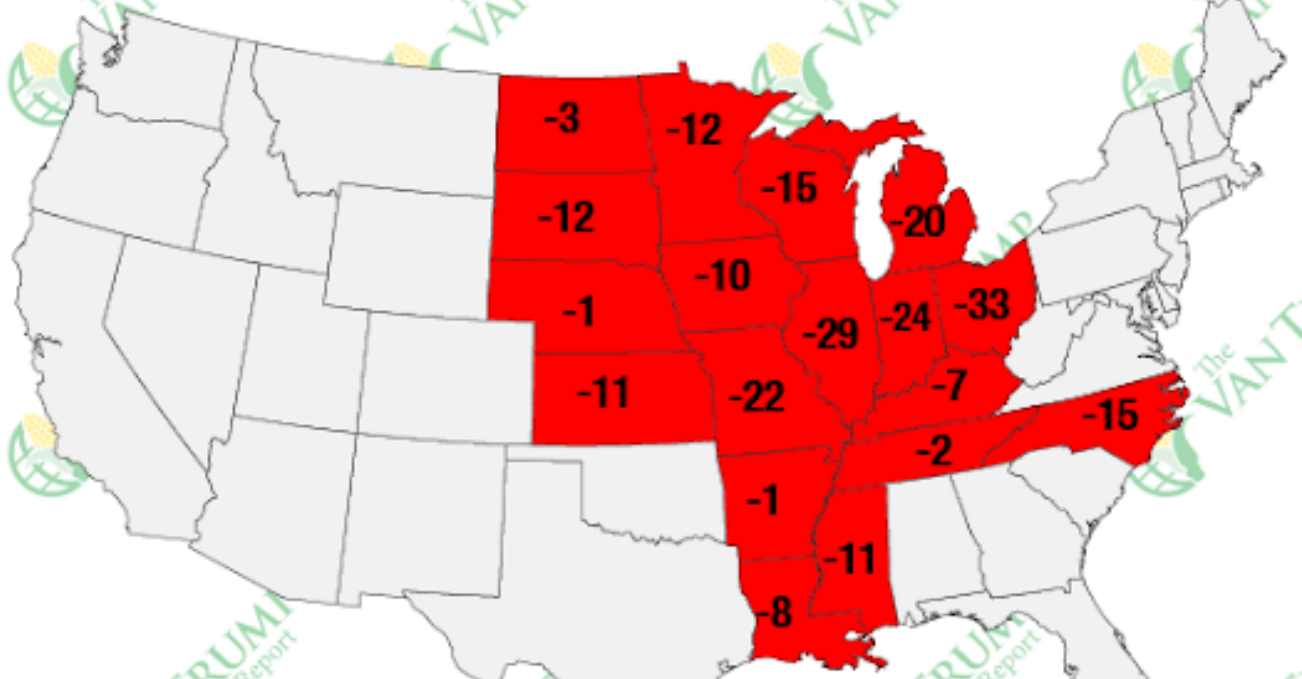
State	7-Jul-19	5-year Average	Difference	Acres Left to Silk
Iowa	1	14	-13	13,464,000
Illinois	4	41	-37	10,752,000
Nebraska	2	16	-14	9,506,000
Minnesota	0	4	-4	8,000,000
South Dakota	0	6	-6	6,000,000
Indiana	1	22	-21	5,445,000
Kansas	19	38	-19	4,617,000
North Dakota	0	7	-7	4,050,000
Wisconsin	0	2	-2	4,050,000
Ohio	0	11	-11	3,500,000
Missouri	25	55	-30	2,625,000
Michigan	0	3	-3	2,350,000
Colorado	1	3	-2	1,415,700
Pennsylvania	1	8	-7	1,356,300
Kentucky	47	51	-4	757,900
Texas	73	67	6	580,500
North Carolina	62	83	-21	368,600
Tennessee	66	69	-3	289,000
Total	8	22	-14	78,522,000

Soybean conditions in the U.S are trimmed from 54% down to 53% rated "Good-to-Excellent" vs. 71% last year. The trade was looking for a slight improvement. The most notable states are Illinois down another -6% to just 38% rated GD/X vs. 72% last year. Ohio is rated just 28% GD/EX vs. 75% last year, Missouri 35%, Indiana 37% vs. 70% last year, Kansas 46% vs. 51% last year, South Dakota 52% vs. 68% last year. The only states showing better conditions this year than last year are Louisiana and North Carolina. Interestingly, the U.S. crop is still well behind it's traditional pace with just 10% reported as "blooming" vs. the 5-year historical pace of 32% by this date. I should note, 90% of the U.S. crop is now

considered "emerged" vs. 98% historically. I've said it several times the past couple of weeks, it feels like the soybean market has reached a significant battleground area, where both bulls and bears can make fairly compelling arguments, each winning a few battles but neither side yet being able to claim victory in winning the war. I have to imagine total U.S. production is going to be trimmed by the USDA. last month, the USDA projected the total U.S. crop at 4.150 billion bushels vs. 4.544 billion bushels the previous year. I'm of the belief, as well as many others, that the USDA will soon be reducing their production forecast to sub-3.9 billion bushels on fewer acres and lower yield. Demand obviously remains a big question mark as uncertainty with China continues to brew. As a spec, I have no desire in trying to navigate the short side of this trade, but at the same time I remain hesitant to take an outright net long position. I still worry that the fundamental bulls could be arriving at the party a bit too early, which tends to often be the case in our new algorithmic trading world. Bottom-line, staying patient with a slightly bullish tilt.

U.S. Soybean Good-to-Excellent [week 27] July 7, 2019

Current Good-to-Excellent vs. 5 year average for week 27

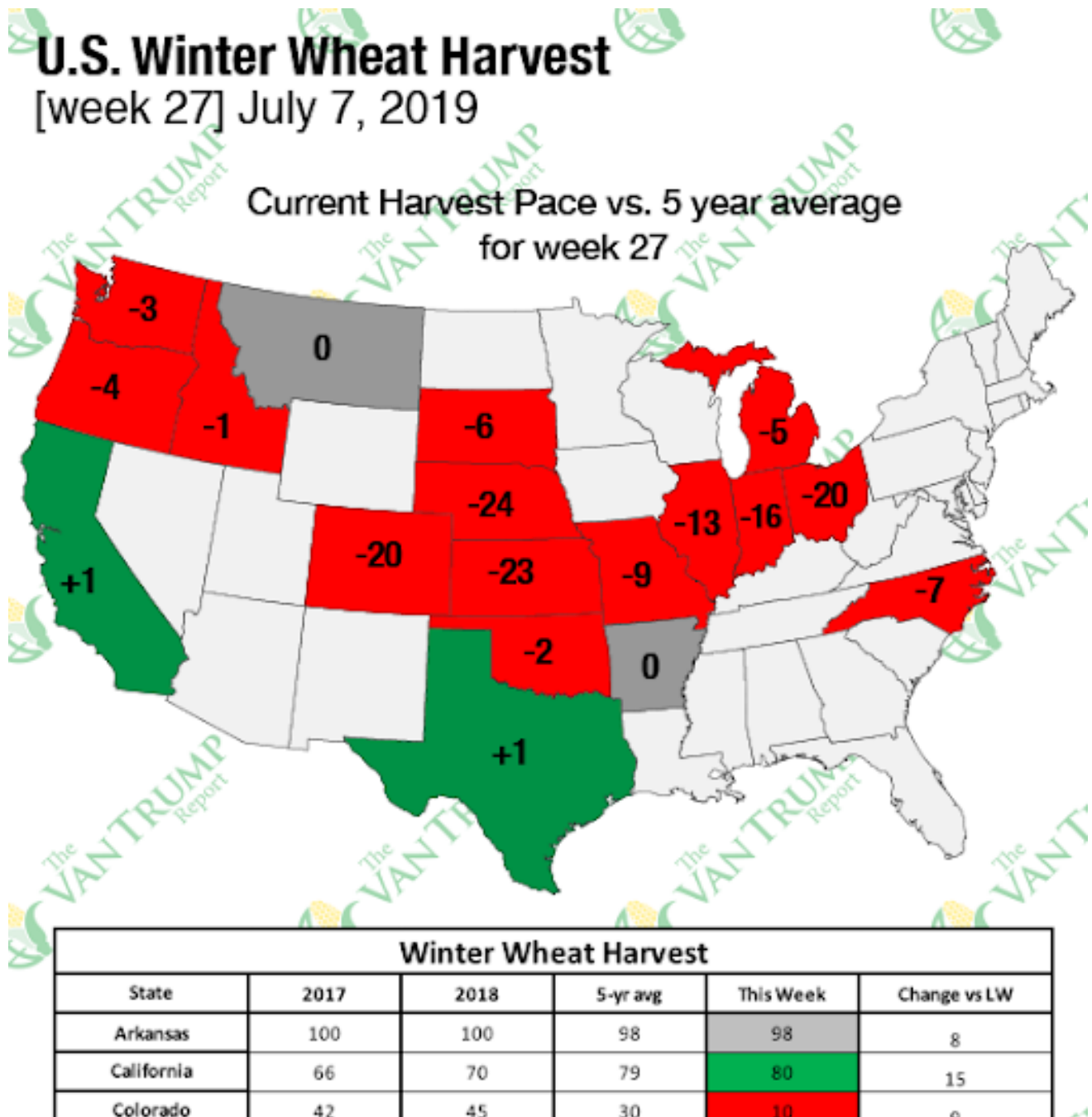


Soybeans % Good-to-Excellent					
State	2017	2018	5-yr avg	This Week	Change vs LW
Arkansas	70	64	61	60	-3
Illinois	66	72	67	38	-6
Indiana	50	70	61	37	0
Iowa	67	76	74	64	0
Kansas	64	51	57	46	1
Kentucky	78	83	79	72	-3
Louisiana	79	54	70	62	-1
Michigan	65	68	65	45	2
Minnesota	73	75	73	61	-1
Mississippi	65	66	69	58	3
Missouri	62	48	57	35	-3
Nebraska	66	83	74	73	-1
North Carolina	79	45	65	50	-8
North Dakota	47	81	72	69	2
Ohio	53	75	61	28	0
South Dakota	34	68	64	52	-2
Tennessee	81	83	79	77	5
Wisconsin	74	81	79	64	3
Total	62	71	68	53	-1

Soybeans Blooming vs 5-year Average				
State	7-Jul-19	5-year Average	Difference	Acres Left to Bloom
Illinois	2	34	-32	10,290,000
Iowa	7	30	-23	8,742,000
Minnesota	3	28	-25	7,081,000
North Dakota	6	29	-23	6,110,000
Indiana	1	32	-31	5,643,000
Missouri	6	21	-15	5,170,000
South Dakota	3	31	-28	5,044,000
Nebraska	10	37	-27	4,860,000
Ohio	5	22	-17	4,702,500
Kansas	7	20	-13	4,603,500
Michigan	0	20	-20	2,200,000
Wisconsin	0	21	-21	2,150,000
Kentucky	14	18	-4	1,505,000
Arkansas	53	66	-13	1,457,000
North Carolina	13	20	-7	1,348,500
Tennessee	24	27	-3	1,140,000
Mississippi	68	66	2	640,000
Louisiana	73	83	-10	305,100
Total	10	32	-22	72,702,000

Wheat traders continue to debate production out of Russia. It feels like the trade is starting to lean towards the "under" when asked about the USDA's current 78 MMTs estimate for Russian production. There seem to be a lot more private Russian estimates falling in to that 76 to 78 MMT range. There's also some talk that European wheat production could also be trimmed a bit, meaning perhaps lower global wheat supplies. Here at home the winter wheat harvest is approaching 50% complete. The USDA showed yesterday that about 47% of the crop is now considered harvested vs the traditional pace of 61%. Oklahoma made a big jump last week going from 72% to now 95% harvested. Kansas made an even larger jump going from 28% harvested last week to now 61% harvested. Keep in mind however, Kansas would traditionally have about 84% of their winter wheat crop harvested by this date. Colorado, Nebraska, Indiana, Ohio and Illinois are also running well behind their traditional harvest pace. Spring wheat conditions actually jumped higher from 75% rated "Good-to-Excellent" last week to 78% this

week. the spring wheat rating is still slightly below the 80% GD/EX rating last year. I should note, the spring wheat crop here in the U.S. is now thought to be 56% "headed" vs. the 5-year average of 52%. U.S. production seems fairly solid and domestic ending stocks look to remain overly burdensome at +1.0 billion bushels. I still see the wheat market as a follower of corn. As a spec, I see no current play and remain on the sideline. As a producer, I'm most interested in the JUL20 contract and perhaps making my first 2020 new-crop cash sale who'll we catch an unexpected bounce back higher. Stay alert!



Idaho	0	1	1	0	0
Illinois	94	92	87	74	27
Indiana	75	80	64	48	20
Kansas	90	92	84	61	33
Michigan	9	9	5	0	0
Missouri	95	95	88	79	27
Montana	1	0	0	0	0
Nebraska	47	25	26	2	2
North Carolina	96	95	96	89	16
Ohio	72	68	49	29	22
Oklahoma	97	99	97	95	23
Oregon	4	7	6	2	2
South Dakota	13	2	6	0	0
Texas	96	86	91	92	11
Washington	4	1	3	0	0
Total	65	63	61	47	17

U.S. Winter Wheat Production (billion bushels)

	July #	Avg. Trade Est.	Trade Range	Previous USDA
All Wheat	???	1.911	1.851 - 1.950	1.903
Winter Wheat	???	1.279	1.231 - 1.314	1.274
Hard Red Winter	???	0.798	0.726 - 0.835	0.794
Soft Red Winter	???	0.257	0.240 - 0.297	0.258
White Winter	???	0.224	0.220 - 0.234	0.222

U.S. Ending Stocks 2018/19 (billion bushels)

	July #	Avg. Trade Est.	Trade Range	USDA June Est.
Corn	???	2.211	2.065 - 2.385	2.195
Soybeans	???	1.053	0.935 - 1.137	1.070
Wheat	???	1.073	1.025 - 1.102	1.102

U.S. Ending Stocks 2019/20 (billion bushels)

	July #	Avg. Trade Est.	Trade Range	USDA June Est.
Corn	???	1.589	1.072 - 1.975	1.675
Soybeans	???	0.816	0.558 - 1.111	1.045
Wheat	???	1.031	950 - 1.092	1.072

U.S. Yield 2019/20

	July #	Avg. Trade Est.	Trade Range	USDA June Est.
Corn	???	164.0	158.0-167.0	166.00
Soybeans	???	48.4	45.0 - 51.0	49.5

World Ending Stocks 2018/19 (million metric tons)

	July #	Avg. Trade Est.	Trade Range	USDA June Est.
Corn	???	327.3	322.7 - 355.7	325.38
Soybeans	???	113.0	111.6 - 117.6	112.80
Wheat	???	275.7	273.0 - 277.0	276.57

World Ending Stocks 2019/20 (million metric tons)

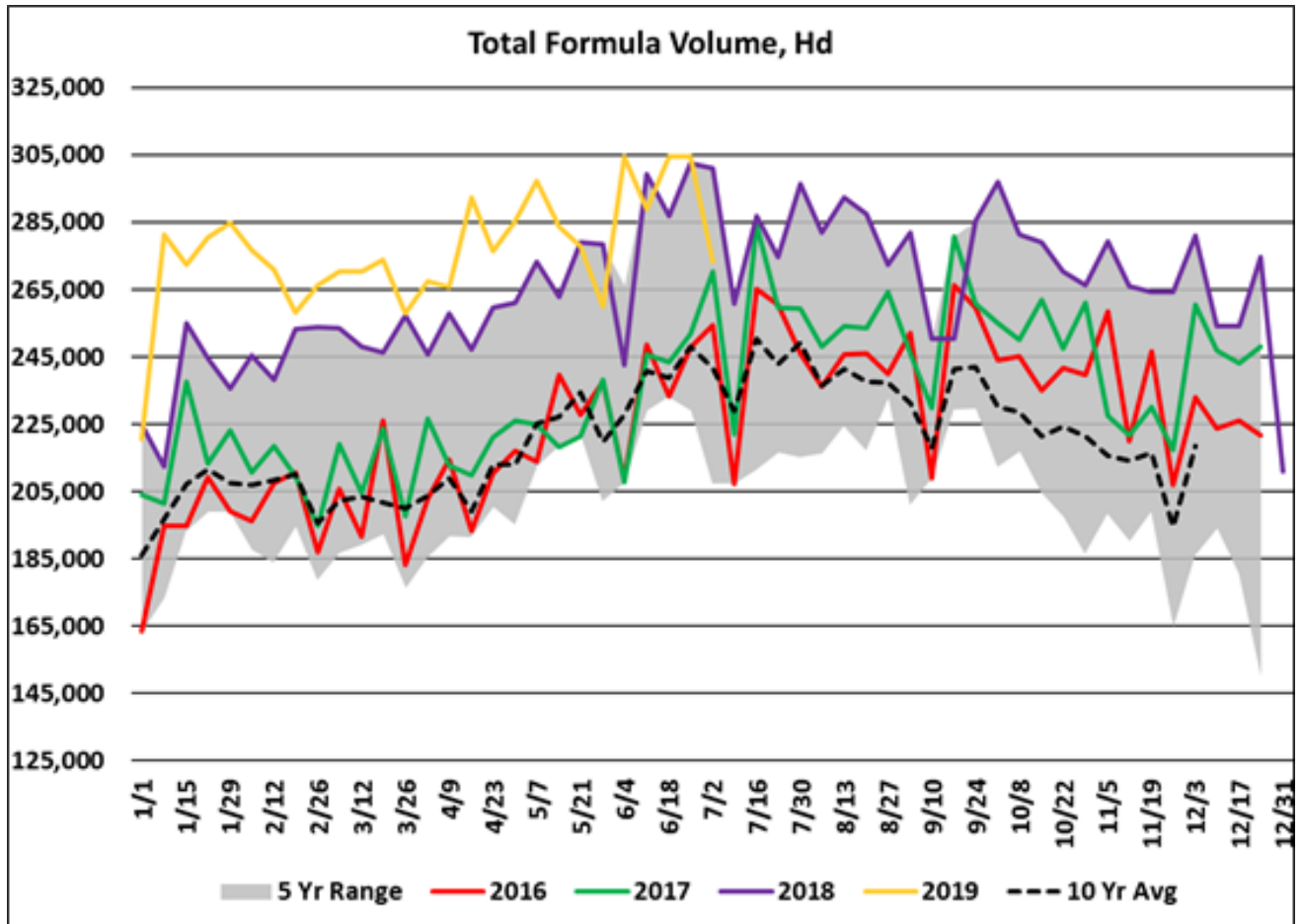
	July #	Avg. Trade Est.	Trade Range	USDA June Est.
Corn	???	291.7	282.40 - 300.00	290.52
Soybeans	???	109.6	103.00 - 124.10	112.66
Wheat	???	291.3	279.90 - 295.00	294.34

South American Production (million metric tons)

	July #	Avg. Trade Est.	Trade Range	USDA June Est.
Brazil Corn	???	99.86	96.0 - 101.00	101.0
Brazil Soybeans	???	117.22	116.0 - 118.50	117.0

Argentina Corn	???	49.28	48.00 - 50.00	49.0
Argentina Soybeans	???	56.09	55.50 - 57.00	56.0

Cattle Comments: As we start back after the holiday the chatter in the cattle complex will largely surround the recent cash rally. The national average cash steer topped out in late April at approximately 127.00/CWT and traded lower for ten consecutive weeks. Last week's trade finally firmed as the average price printed 111.42/CWT which is up 1.21/CWT week over week. The cash market action is important for a variety of related reasons. First, it has anecdotally changed the industry sentiment from negative to friendly. Second, as a result of this futures can possibly rally and outpace the cash markets advancements. Lastly, this will result in potentially negative basis, which in moderation is not out of the normal for this time of year. However, negative basis will over time impact marketing's and thus exacerbate an already challenging leverage situation between the cattle feeder and beef packer. Show list of cattle available to sell this week were higher mostly as a result in increased supplies in Nebraska and Kansas. The most recent USDA MPR data showed a fairly sharp reductions in both formula and grid numbers which may be as a result of adding days on feed and the seasonality of formula number's tightening around the Independence Day holiday. This setup could support the negotiated cash trade as packers work to secure harvest needs in the short term. The contrarian view would be that committed numbers are still rather large and we are nearing the time of year when domestic beef demand struggles. Futures markets are technically in better shape and filled a small daily gap on the charts today. Remaining above the 50-day average will be important in building upside momentum moving forward. Trey Warnock - [Amarillo Brokerage Company](#)



> OECD and FAO Release Agricultural Outlook Through 2028: *Regional, national, and global ag outlooks through 2028 can be found in the recently released OECD-FAO publication, which covers a ten-year forward look into agricultural and fish markets. I'm told for nearly all commodities covered in the Outlook, real prices are projected to remain at or below current levels over the coming decade, as productivity improvements continue to outpace demand growth. You can see the whole report [HERE](#)!*

> China's Corn Production Lowered: *USDA's attache in China has adjusted this year's corn crop to 230 MMT, which comes in at 24 MMT under the USDA's expectations. I'm told lower acreage and yields are the cause, and will most like create stresses as demand was already running ahead of production.*

> Colombian Cocaine Production Explodes Despite Best Efforts: *Colombia has battled hard to rid the country of its cocaine production, especially since 2016 after the government signed a peace deal with the Revolutionary Armed Forces of Colombia. I'm told the government is working with the UN Office on Drugs and Crime, which stepped in to pay farmers as much as 1m Colombian pesos (\$312) a month to grow something else. Interestingly, coca production has collapsed in Uribe. Keep in mind, elsewhere in Colombia it has soared. Read more [HERE](#) to find out what Uribe farmers plan to do when the subsidy runs out.*

> Should You Still Invest in the Tech Sector? *Soaring values of technology companies have dominated the market's bull run, but according to some analysts, they're getting way too expensive as the earnings picture continues to deteriorate. Keep in mind, the tech sector is now trading at 21.4 times forward earnings, which is the highest level in 15 years. Meaning, many investors are becoming worried given the fact that expectations are for an earnings decline over the next year. According to Toni Sacconaghi, AB Bernstein's senior technology research analyst, don't write off the entire sector though as there are some plays to be had. Read more [HERE](#) for his insights!*

> This Might Surprise You About Costco: *Costco is no one's idea of fashion paradise, so it might surprise you to learn that it has somehow managed to*

become a fashion powerhouse. Forget the fact that the 800 stores aren't particularly alluring, with their concrete floors, harsh overhead lighting, how the clothes are stacked in piles on tables, and never knowing exactly what brands will be available the day you go shopping. Despite all that, Costco's 85 million members pay an annual fee starting at \$60 to gain access to goods at bargain prices, which happen to be filling their baskets with \$70 North Face jackets and \$13 Jessica Simpson jeans. According to the Washington Post, the company generated \$7 billion in sales annually in clothes and footwear, which is more than Old Navy, Neiman Marcus, or Ralph Lauren. I'm even told its fashion revenue has been growing at a rate of about 9% a year for the past four years. Read more [HERE](#) to find out how they are doing it!

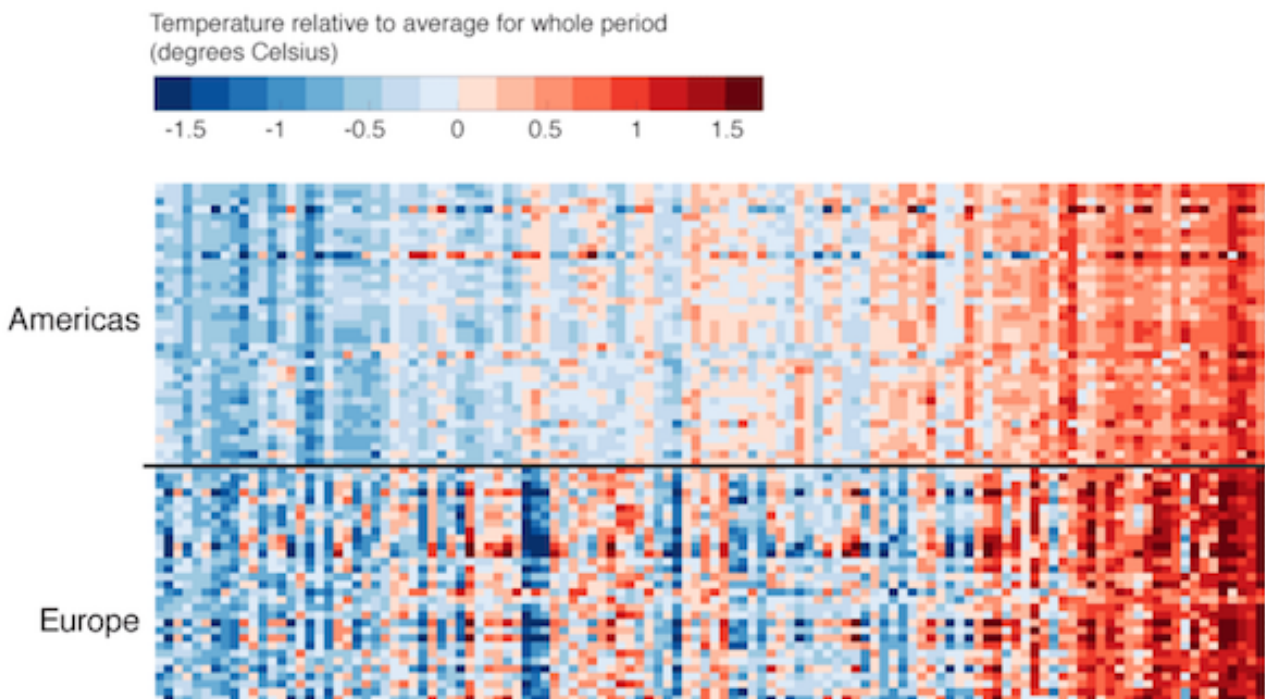
> MyVerte Will Allow Companies to Block Their "Serial" Returners: *E-commerce companies are getting a new tool to track and punish shoppers who are suspected of abusing return policies. From what I understand, the site allows companies to give customers an "Uber-style" rating of one to five stars based on their return activity. In fact, Amazon, Best Buy, Home Depot, and Victoria's Secret are among the major retailers that have engaged in this practice. I'm told tracking return activity has become an increasingly popular practice in the retail industry as returns cost US retailers an estimated \$369 billion in lost sales last year, according to a report by Apriss Retail. From a business perspective, this is a great idea as it will offer direct-to-consumer brands the ability to reclaim control, get the optimization, and insights that they need to grow their businesses and increase their bottom line. Read more [HERE](#)!*

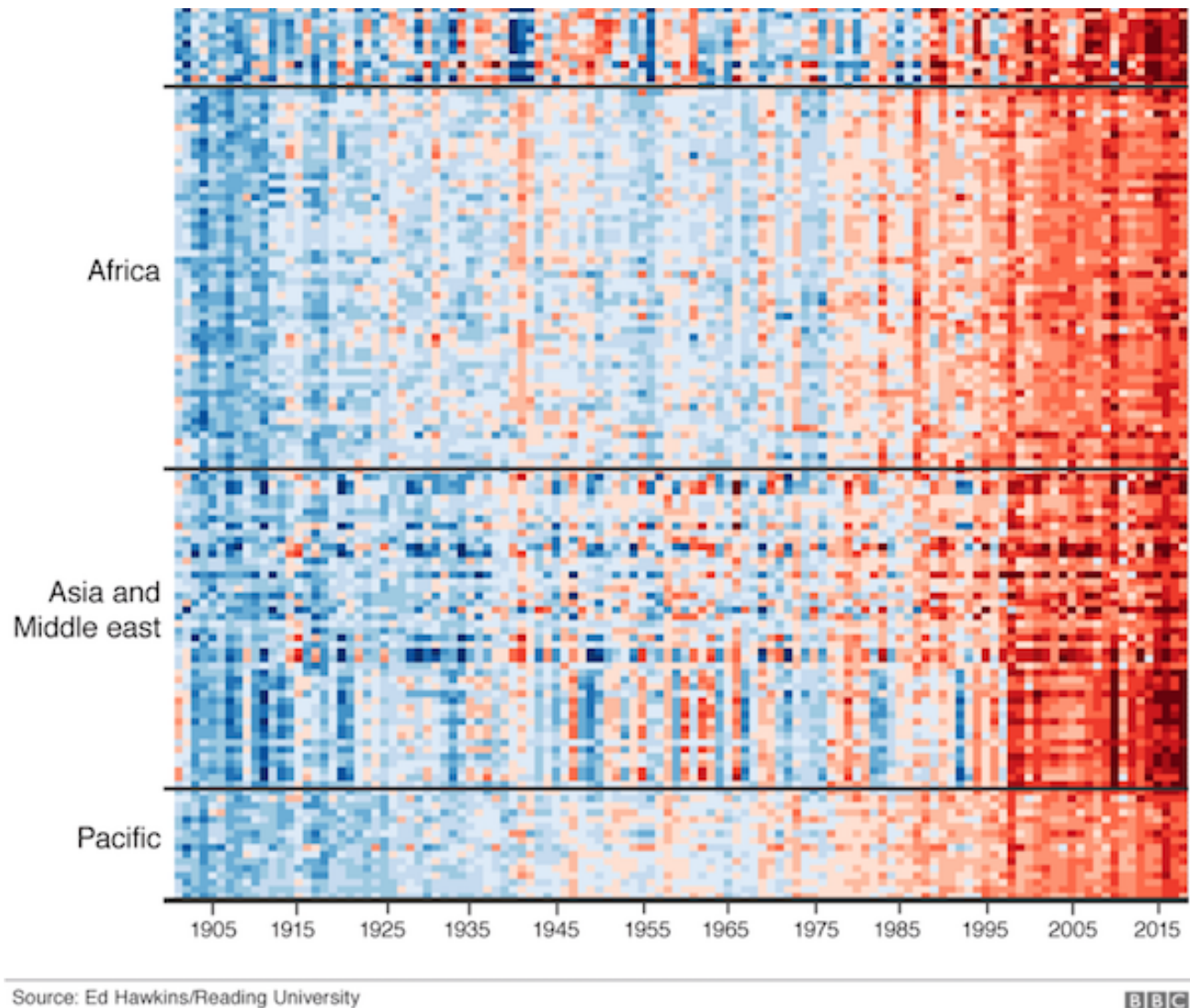
> Finally... a Box of Chocolates With Only Your Favorites?: *It could be a dream come true for chocolate lovers worldwide who suffer from the same dilemma... a box of chocolates that have a few "not so favorite" flavors inside. But from what I understand, that could be changing real soon. I'm told food giant Nestlé, the firm behind KitKat, Nespresso, and Haagen-Dazs is seeking to personalize more of its products. While Nestlé chief executive Mark Schneider was reluctant to reveal which products will be personalized next he said in an interview with MarketWatch, "I think confectionery overall may be one in the future," leaving many to speculate the perfect box of chocolate could soon be a reality. Read more [HERE](#) on what Nestlé may have in store!*

> **Delta Sets its Eyes on the Coach Crowd:** *Delta just made a passenger-friendly announcement as it plans to reinvent the long-haul experience in Economy Class. If you find yourself on a Delta flight lasting over six-and-a-half hours, then you can expect to be greeted at the gate by your purser, served a Bellini (a relatively fancy champagne-based drink), offered a hot towel, opportunity for an upgraded dinner, and before you depart you should expect your stewards to offer you a chocolate. Why might Delta in an era where airlines entertain themselves by competing in the Nickel-And-Diming Olympics, suddenly come over all generous? Find out the answer why [HERE!](#)*

> **Check Out the Global Warming Stripes:** *Professor Ed Hawkins, from the climate science department at Reading University in the UK, wanted to find the simplest way to tell the story of global warming, so he turned it into an image. It's been said that a picture is worth a thousand words and his climate stripes graphic shows how average temperatures have risen over more than a century. Keep in mind, the graphic goes from dark blue to dark red as it paints a stark picture of how our planet is heating up and causing some to want to show their stripes. Read more [HERE!](#)*

Temperature changes around the world (1901-2018)



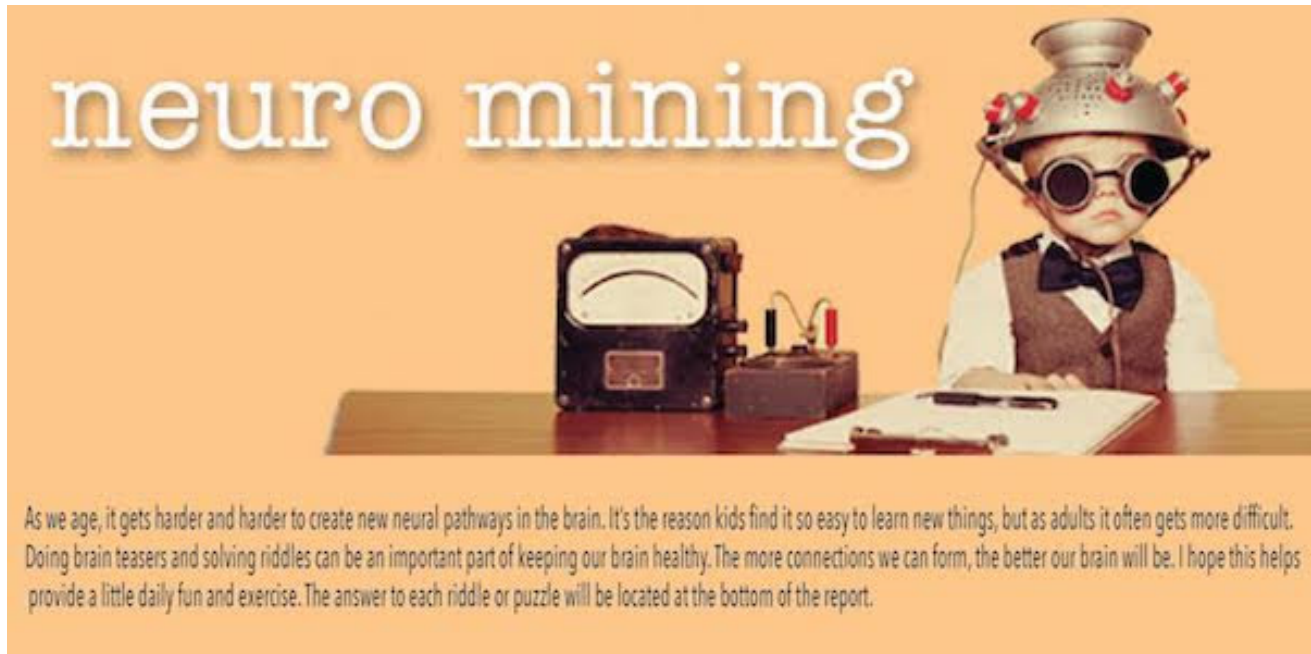


Northeast North Dakota – *We'd turn away a rain at this point. It's getting dry and warm enough that some of the younger soybeans are starting to fire a little. It's nothing to be overly concerned about yet, but rain would surely be beneficial. It was debatable if the corn would be knee high by the fourth of July, but there's corn that's knee high and there's corn that's should high. At this point, we're*

hoping for the best, but thinking we might be picking 140-bushel corn on dry land and we are hoping for 200+ on the irrigated corn. Overall, we're hopeful for a decent crop, but only time will tell on how the summer treats us.

East-central Wisconsin - *If we could have planted corn in April, then we would have been planting corn for four months. I planted four acres today to finish up our test plot where soybeans we suppose to get planted. Hopefully, it will make dry cow or heifer feed. In East-central Wisconsin there are 10,000's of thousands of acres unplanted. There's going to be many dairy cows eating different feed rations this year. We're going to plant 150 acres of brown midrib sorghum when field conditions allow. We need to go frost free till the end of October, which isn't common this far North. A September frost would be disastrous for Wisconsin for many farms.*

Southeast South Dakota - *I prevent planted 90% of my ground. Could have started putting soybeans in marginal ground around the 20th of June. I sure didn't think the APH hit, that would likely come, along with reduced insurance would be worth it. I'm very happy with my decision. All nutrient heavy cover crops are getting seeded. I'll get every one of my cattle yards clean to the ground finally. Tile man is showing up this summer and getting half of my acres fixed. Fences lines are getting leveled... It's a tough year, but I'm finding the positives of it. A lot of my neighbors mudded in soybeans that are maybe half an inch tall today at beat with spotty stands.*



TODAY'S RIDDLE: What can fill an entire room without taking up any space?



Some Say He Pitched In The Big Leagues At 73 Years of Age...

It was on this day in 1948 that a 42-year-old rookie named LeRoy Satchel Paige debuted in the major leagues. I've had the honor a couple of years back to play golf with Bob Kendrick, the executive director of the Negro Leagues Baseball Museum. Bob is a legendary baseball historian and was passing along some of his best stories with me, and I started asking him questions about Satchel Paige, one of the more famous players who played for Kansas City Monarchs. I had no idea that Paige pitched arguably into his 70's. Yes, you read that right, Satchel Paige may have been pitching in the big leagues at the age of 73. Kendrick told us that on September 25, 1965, a 59-year-old Satchel Paige took the mound for the Kansas City Athletics in a game against the Boston Red Sox. I'm told the aging

pitcher jokingly sat in a rocking chair and had a "nurse" attend to him during the game, but he went on to chalk up three scoreless innings only giving up one hit. Most people think the Redsox episode was Satchel's last hurrah, but according to Hendricks, Satchel threw two more innings in a Spring League game after being hired by the Atlanta Braves as a pitching coach/player, which is officially recorded in the history books at the age of 63. What's most interesting is during the two innings he pitched against the Richmond Braves he not only sent all six men back to the dugout, but Hank Aaron was one of them. Where the story gets crazier is when Kendrick tells me, they believe Satchel's birth certificate had been altered by more than likely about 10 years. Making him 73 rather than 63 when he last stepped on the mound. WOW! His more than 40-year playing career made his age a constant topic of debate in the media. Many reporters always believed he was born in the late-1800's, rather than 1906, which later showed up on his birth certificate. Paige always said his original birth certificate was eaten by his family goat. Some even offered a cash reward to anyone that could find proof of his age. Kendrick shared with us. In 1959, Paige's own mother told a reporter he was several years older than what they were reporting. Satchel passed away at his home in Kansas City at the age of 75 or perhaps 85, you decide. In 2010 a sportswriter, Joe Posnanski, writing for Sports Illustrated named Paige as the hardest thrower in the history of baseball. Below are some more interesting facts about the great Satchel Paige:(Source: History, Bleacher Report)

Pitching Your Way Out: *After being caught shoplifting, Paige landed in the Alabama Reform School for Juvenile Negro Lawbreakers. It was during this stint I'm told that his powerful arm caught the attention of coach Moses Davis, who first taught him the high leg kick that became a trademark of his windup. Paige went on to sign his first professional baseball contract only a few years after his release. "You might say I traded five years of freedom to learn how to pitch," he later said.*

Traveling Man: *Paige was a baseball nomad who was known for "jumping" between clubs in search of bigger paychecks. It sounds to me like he may have started free agency. Along with suiting up for a merry-go-round of American teams in the minor, major and Negro leagues, he*

also hired out his famous right arm to foreign clubs in places like Cuba, Mexico, Puerto Rico, and Canada. When he wasn't busy with professional ball, he'd barnstorm his way across the country playing exhibition games, often sleeping in his car and pitching day after day.

P.T. Barnum Of The Diamond: *As I understand it, Paige was also a well-versed showman. One of his favorite moves was to call in his outfielders and then singlehandedly strike out the other side. According to Paige, an even more famous stunt came during a Negro League World Series game in 1942, when he intentionally walked two batters so that he could face power hitter Josh Gibson with the bases loaded. After taunting Gibson and warning him about where he intended to place each throw, Paige struck him out in three pitches. I would love to see what would happen in the modern game if a pitcher tried that!*

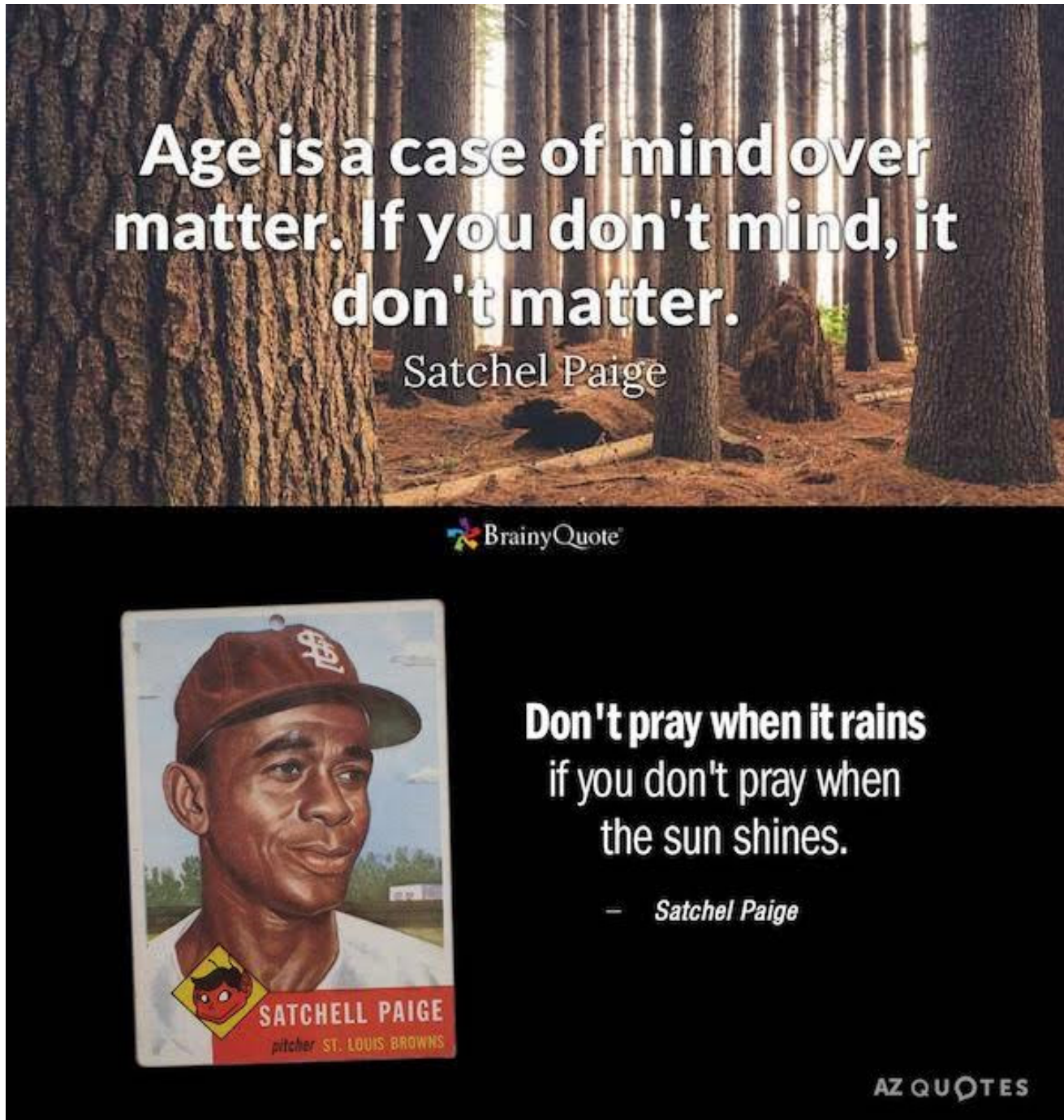
What's It Called??: *Paige typically relied on his scorching fastball to strike out batters, but he gave the pitch a litany of different names including "Bat Dodger," "Thoughtful Stuff" and "Long Tom." He was particularly fond of hurling the "Bee-Ball"—a pitch with so much zip that it supposedly buzzed like a bee as it sailed into the catcher's mitt. As the years passed and his power faded, he fell back on an arsenal of trick pitches such as the "Midnight Creeper," the "Wobbly Ball" and the "Whipsy-Dipsy-Do." One of his favorites was the "Hesitation Pitch," which saw him pause mid-delivery to fool batters into swinging early. The throw usually worked like a charm, but Major League managers complained about it so much that it was eventually made illegal. Did anyone tell Cueto?*

Missed It By That Much: *Many believed Paige would be the first man to break baseball's color barrier, but his advanced age saw him passed over in favor of Jackie Robinson, who made his debut for the Brooklyn Dodgers in April 1947. Paige didn't get a crack at the Major Leagues until over a year later when Cleveland Indians owner Bill Veeck picked him up to bolster his bullpen for the pennant race. Despite facing constant discrimination and being old enough to be many of his*

teammates' father, the 42-year-old rookie didn't disappoint. His first start drew a record 72,000 fans, and he finished the season with a 6-1 record and a 2.48 ERA. Paige later threw for part of an inning during Cleveland's World Series run, making him the first black player in history to pitch in the Fall Classic. Not much to say but impressive!

Getting His Due: *In the 1960s, many fans and fellow players began pushing for Paige to be the first Negro League player inducted into the Baseball Hall of Fame. He finally won selection in 1971, but a controversy broke out after it was announced that Paige and other Negro League heroes would be "segregated" in their own wing of the Hall. The decision was reversed after a public outcry, and on August 9, the 65-year-old pitcher appeared in Cooperstown, New York for his induction ceremony. He used his acceptance speech to reflect on his long career, his battles against racism and his life philosophy. "Don't look back," he quipped at one point. "Something might be gaining on you." It's good to see that common sense won the day and to hear sound wisdom from a veteran player.*





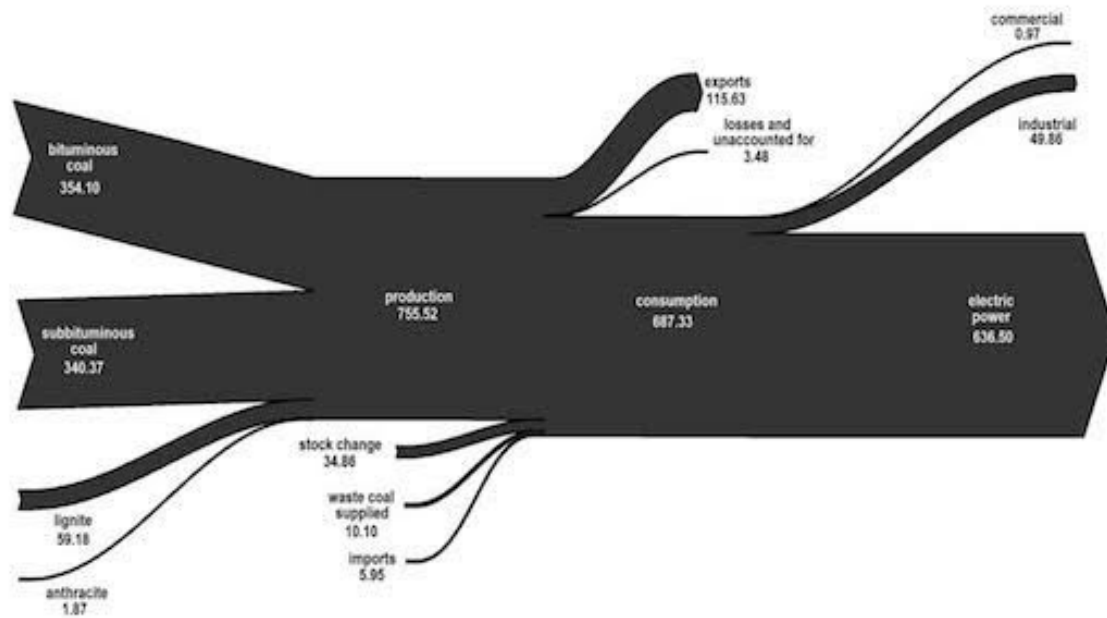
Did You Know Nearly All U.S. Coal Produced is Consumed by Electricity?

U.S. coal production and consumption have both declined since the peaks back in 2007, yet it's still one of the main sources of energy in the U.S. It's worth mentioning, in 2018, coal production totaled just 756 million short tons, the second-lowest level since 1978, and dramatically lower than the 1,172 million short tons produced back in 2007. Despite what you might hear from the media, coal consumption fell to just 687 million short tons last year, which happens to be

the lowest since 1978. Interestingly, from what I understand, nearly all of the coal being consumed in the United States is produced domestically and most is being used by the electric power sector to generate electricity. In fact, since 1961, the electric power sector has been the largest consumer of coal in the United States, surpassing the industrial sector, which used about 93% of coal consumed in the United States in 2018. Most of the remaining U.S. coal used directly by the industrial sector, produces coal coke, concrete, paper, and steel. What remains to be seen is how much longer can coal hold its place in the energy production line? Since 2012 when natural gas became cheaper than coal, the black rock has been facing more stiff headwinds. Interestingly, more coal-fired power plants closed during Trump's first two years in office than during Barack Obama's entire first term, according to reports from Reuters. I'm told it was only a decade ago, before the shale gas boom really took hold, that coal was the leading source of power in 28 states. In 2016, natural gas finally overtook coal as the nation's leading source of power generation and dropped coal's market share to an all-time low of 30% last year, which is down from nearly 60% three decades ago, according to the US Energy Information Administration. If you look at the first graphic below you will see the EIA's U.S. coal flow giving you an overview of U.S. coal energy. Keep in mind, most of the coal produced in the U.S. is bituminous or sub-bituminous, with the classifications based on the amount of carbon it contains and how much heat energy it produces when combusted. Both happen to account for around 46% each of production in 2018, but it is the bituminous coal whose more productive with a carbon content ranging between 45% to 86% and is produced in states such as West Virginia, Illinois, Pennsylvania, Kentucky, and Indiana. Unless the coal industry can once again pivot, I suspect we'll continue to see more headwinds as technology accelerate as batteries can now be produced to store the electricity that alternative sources are providing like wind and solar.

U.S. coal flow, 2018

million short tons

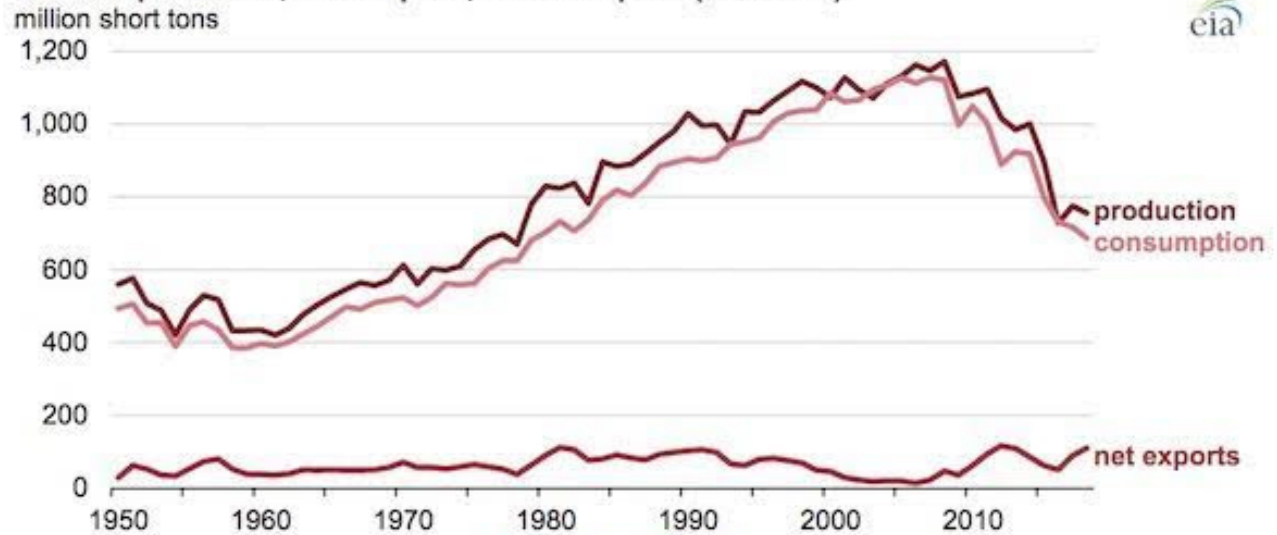


Notes: • Production categories are estimated; all data are preliminary. • Values are derived from source data prior to rounding for publication. • Totals may not equal sum of components due to independent rounding.

Sources: U.S. Energy Information Administration (EIA), *Monthly Energy Review* (April 2019), Tables 6.1 and 6.2; and EIA estimates based on U.S. Department of Labor, Mine Safety and Health Administration, Form 7000-2, "Quarterly Mine Employment and Coal Production Report."

U.S. coal production, consumption, and net exports (1950-2018)

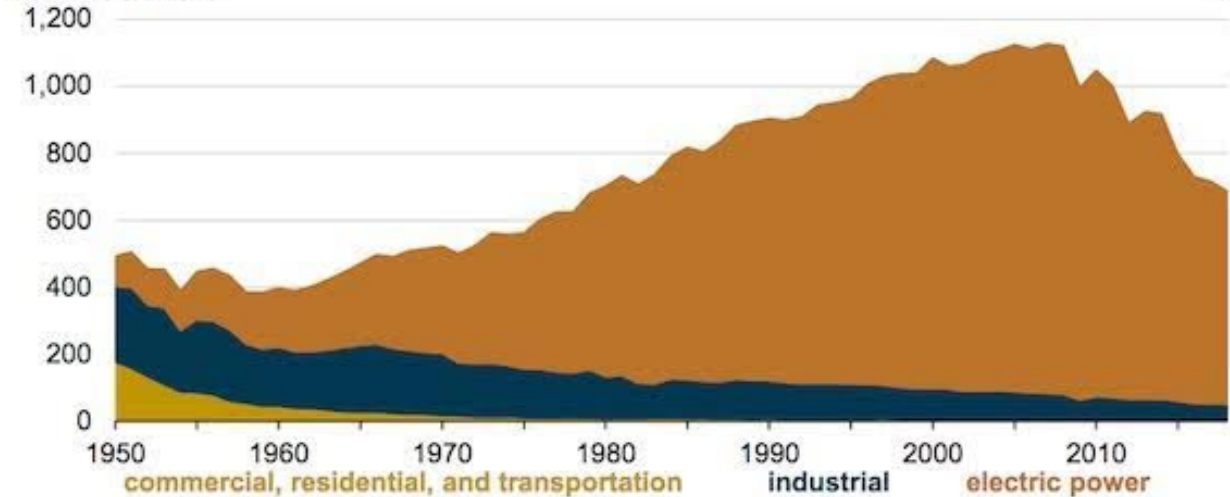
million short tons



Source: U.S. Energy Information Administration, *Monthly Energy Review*

U.S. coal consumption by sector (1950-2018)

million short tons

Source: U.S. Energy Information Administration, *Monthly Energy Review***Why We Keep Grinding!**

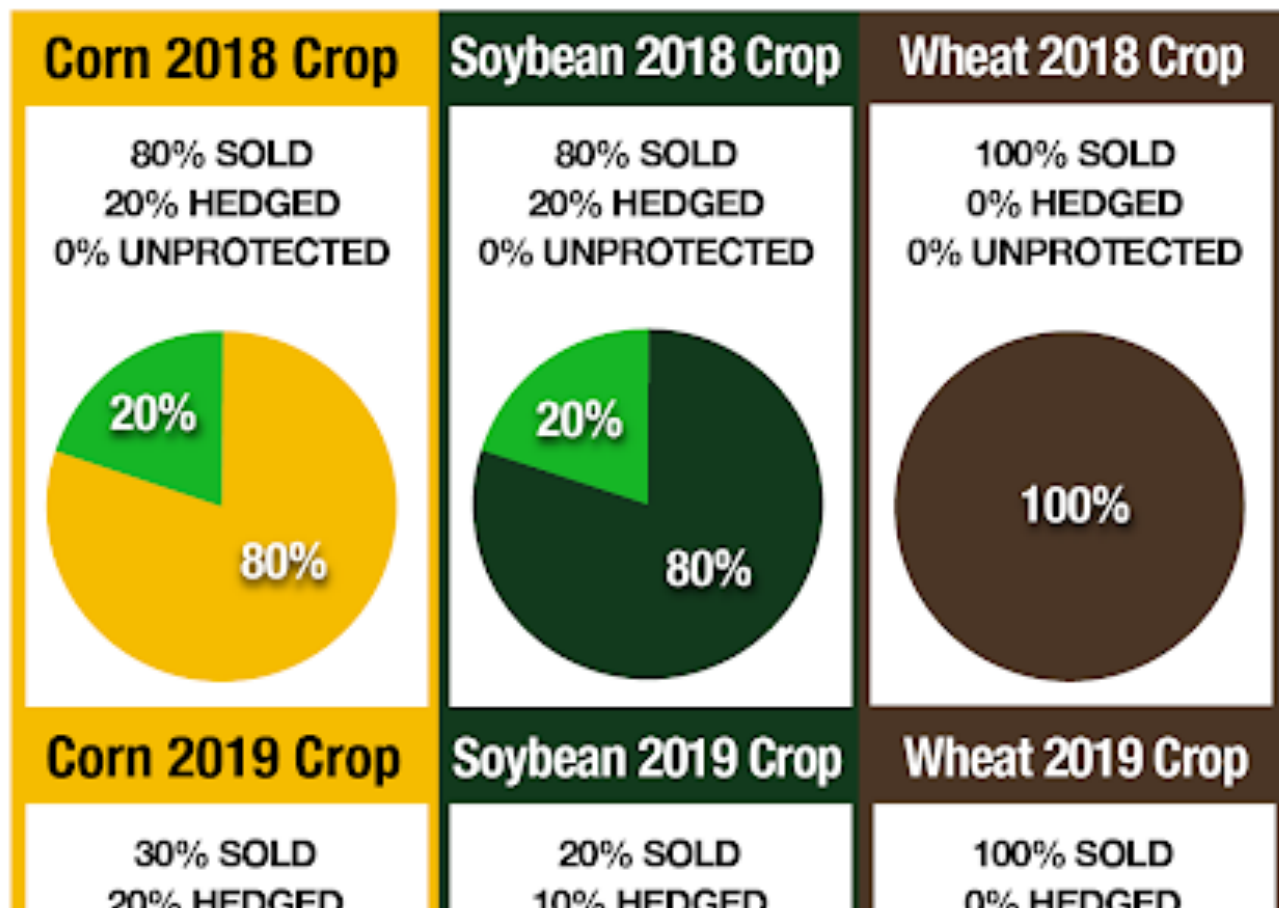
I received this video in an e-mail a few years back from one of our readers. It popped up yesterday in my inbox and once again reminded me why we grind each and every day. With such a tough Spring and the continued tight margins in agriculture, I thought we should revisit and remind ourselves. Feel free to pass along and share [CLICK HERE!](#)

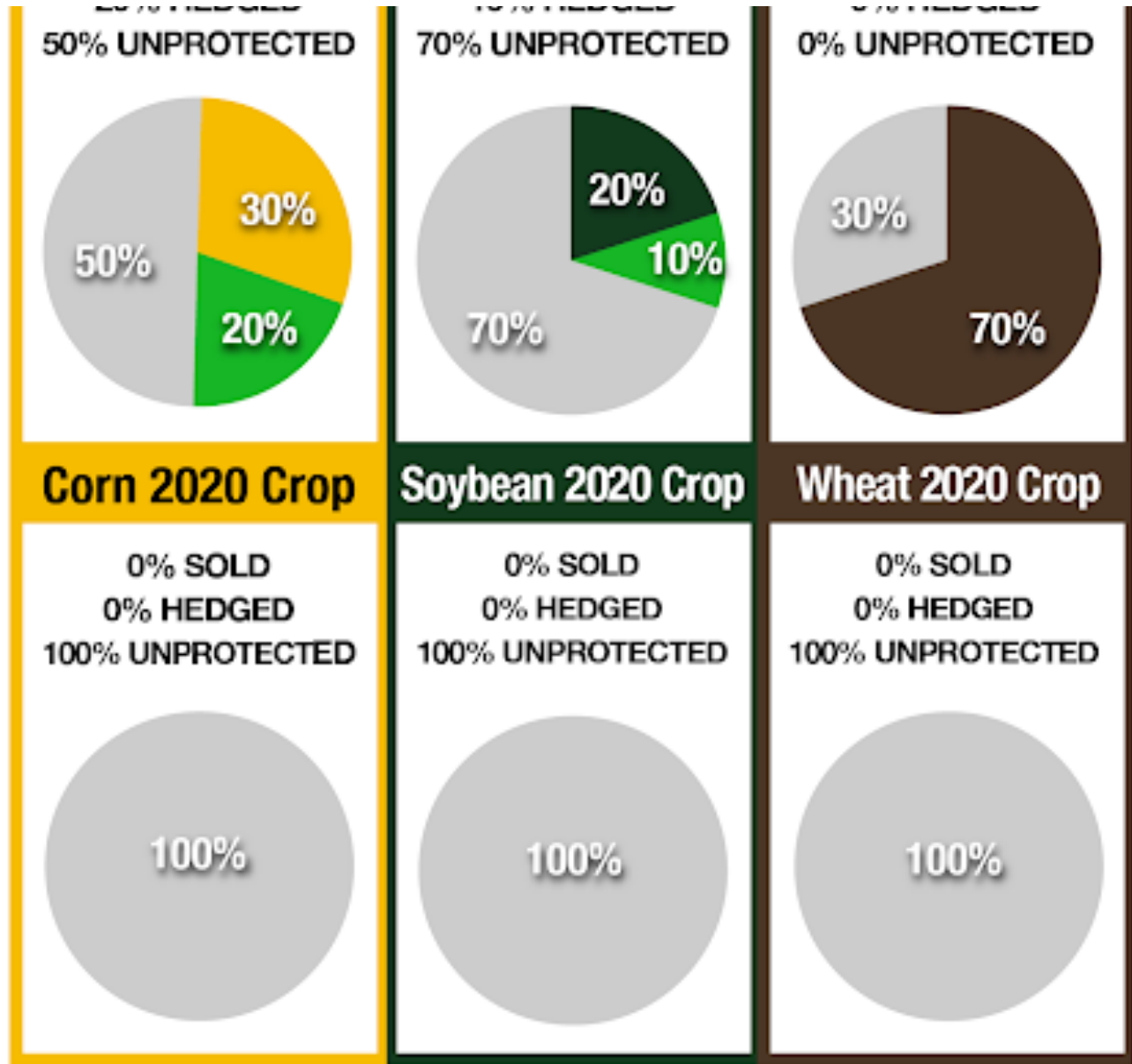


ANSWER to riddle: Light.

CASH SALES & HEDGING TOTALS

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